

ASSEMBLY BILL

No. 1617

Introduced by Assembly Member Dickinson

February 8, 2012

An act to add Section 16511 to the Government Code, relating to the State Treasury.

LEGISLATIVE COUNSEL'S DIGEST

AB 1617, as introduced, Dickinson. State Treasury: community banks.

Existing law requires all moneys in the State Treasury or under control of the Treasurer belonging to or in the custody of the state to be deposited by the Treasurer to the credit of the state in eligible banks, as specified.

This bill would require the Treasurer to deposit not less than 30% of moneys in the State Treasury in community banks, as defined to mean bank or savings institution in California with aggregate assets of less than \$1,000,000,000.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 16511 is added to the Government Code,
- 2 to read:
- 3 16511. (a) Notwithstanding Section 16500 or 16505, the
- 4 Treasurer shall deposit not less than 30 percent of moneys in the
- 5 State Treasury in community banks.

1 (b) The allocation of moneys deposited in community banks
2 shall be proportionate by geographic region throughout the state
3 with roughly one-third deposited among northern California
4 community banks, one-third deposited among central California
5 community banks, and one-third deposited among southern
6 California community banks.

7 (c) When choosing which community banks to use in each
8 regional area, the Treasurer shall take into consideration the
9 following:

10 (1) Whether the community bank services a rural or urban
11 community.

12 (2) Whether the community bank services a predominantly low-
13 or moderate-income community.

14 (3) Whether the community bank offers small business loans.

15 (d) For purposes of this section, a “community bank” means a
16 bank or savings institution in California with aggregate assets of
17 less than one billion dollars (\$1,000,000,000).